

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SMS-01 HA-05 EB-08 TRSE-00 SY-05
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/064 W

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R 161136Z AUG 78
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC 2206
INFO USDOC WASHDC
AMEMBASSY VIENNA
AMEMBASSY MOSCOW

C O N F I D E N T I A L BUDAPEST 3267

E.O. 11652: GDS
TAGS: BTRA, PINS, HU
SUBJECT: HARASSMENT OF IBM-HUNGARY DIRECTOR AND VISITING IBM-
AUSTRIA COLLEAGUES

1. MRS. ZSUZSA BRANYIK, DIRECTOR IBM-HUNGARY, INFORMED COMOFF THAT SHE AND VISITING IBM COLLEAGUES FROM VIENNA ENCOUNTERED MINOR HARASSMENTS IN PAST THREE WEEKS WHICH SHE BELIEVES IS RESULT OF RECENT CHILL IN U.S.-SOVIET RELATIONS. MRS. BRANYIK SAID THAT AS WHOLLY OWNED SUBSIDIARY OF IBM WORLD TRADE CORPORATION, IBM-HUNGARY HAS ALWAYS BEEN TREATED AS A FOREIGN EMBASSY IN MATTERS OF EMPLOYMENT OF HUNGARIAN CITIZENS, EQUIPMENT IMPORTS, AND CONTRACTS WITH HUNGARIAN FIRMS, BUT FOR THE FIRST TIME IN YEARS, SHE NOTICED INTENSIFICATION OF OBVIOUS SURVEILLANCE AND OTHER MINOR HARASSMENTS.

2. MRS. BRANYIK SAID THAT DURING LAST WEEK IN JULY SHE PHONED IBM-VIENNA TO ASK A COLLEAGUE TO BRING WITH HIM ON A PLANNED VISIT TO HUNGARY A SPECIFIC DOCUMENT RELATED TO A BUSINESS CONTRACT. WHEN THE AUSTRIAN COLLEAGUE ARRIVED AT HUNGARIAN BORDER, HIS ENTRANCE WAS DELAYED AND POLICE ASKED HIM TO PRODUCE SPECIFIC DOCUMENT DISCUSSED IN PHONE CONVERSATION WITH MRS. BRANYIK. WHEN AUSTRIAN ARRIVED IN BUDAPEST AND MADE SEVERAL BUSINESS CALLS TOGETHER WITH

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MRS. BRANYIK, BLACK CAR FOLLOWED. MRS. BRANYIK SAID THAT SAME BLACK CAR AND OCCUPANTS FOLLOWED THEM CONSTANTLY DURING WORKDAY AS WELL AS IN EVENINGS. AUSTRIAN LATER DISCOVERED THAT HIS ROOM AT HILTON HAD BEEN SEARCHED.

3.. BRANYIK ALSO MENTIONED THAT WHEN SHE VISITED VIENNA DURING LAST THREE WEEKS, HER HOTEL ROOM THERE HAD BEEN SEARCHED. SHE SAID

THAT WHEN SHE RETURNED TO BUDAPEST, SHE NOTICED FROM HER OFFICE WINDOW A MAN PACING THE STREET ALONGSIDE HER OFFICE EVERY DAY DURING WORKING HOURS FOR ONE WEEK. SHE MENTIONED THAT SHE HAD PLANNED TO TAKE A TRIP TO THE U.S. WITHIN NEXT TWO MONTHS TO CONSULT WITH IBM, BUT THAT GIVEN RECENT HARASSMENT, SHE HAS DECIDED TO POSTPONE THE TRIP.

4. COMMENT: WHEN COMOFF PHONED MRS. BRANYIK EARLIER THIS WEEK TO INQUIRE ABOUT IBM'S SALES PROSPECTS IN COMING YEARS, MRS. BRANYIK ABRUPTLY ASKED COMOFF FOR PERSONAL MEETING. DURING MEETING, MRS. BRANYIK APPEARED TO BE NERVOUS, AND AFTER RESPONDING TO COMOFF'S SPECIFIC QUESTIONS, SHE EXPLAINED THAT FOR REASONS OUTLINED ABOVE, SHE DID NOT WISH TO RESPOND TO COMOFF'S QUESTIONS OVER PHONE. SHE EXPRESSED CONCERN OVER THESE DEVELOPMENTS AND HOPED THAT THESE DID NOT SIGNAL A COMING TREND IN HUNGARY.

5. AS DEPARTMENT KNOWS, IBM WAS NEVER NATIONALIZED IN HUNGARY, BUT LOCAL OFFICE WAS PUT UNDER SUPERVISION OF HUNGARIAN AUTHORITIES. BECAUSE OF IBM'S PECULIAR SITUATION IN HUNGARY, IBM EMPLOYEES HAVE BEEN PARTICULARLY LEERY OF GETTING INTO A POSITION OR UNDERTAKING ACTIVITIES WHICH WOULD GIVE CREDENCE TO SUGGESTION THAT THEY PARTICIPATE IN INTELLIGENCE ACTIVITIES FOR U.S. GIVEN THIS HISTORY, HOWEVER, WE ARE REPORTING THIS INSTANCE IN LIGHT OF HAPPENINGS IN MOSCOW AND POSSIBILITY THAT THERE MIGHT BE SOMETHING UNUSUAL IN CURRENT HUNGARIAN SURVEILLANCE OF IBM OFFICE.

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Disposition Approved on Date:
Disposition Case Number: n/a
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